

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30028, LANSING, MI 4890
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B4300070
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Hyland Software Inc. 28500 Clemens Road Westlake OH 44145-	Brenda Wilson	Brenda.wilson@onbase.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(216)-978-8505	9247

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Jeff Baldwin	(517)-335-8965	baldwinj@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mary Ostrowski	(517) 284-7021	OstrowskiM@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

COM/Cold Production and Media storage

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 17, 2014	March 16, 2017	2, 1 year	March 16, 2017

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P Card: <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXPIRATION DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,297,788.72	\$0.00	\$1,297,788.72		

DESCRIPTION:

Effective September 1, 2015, DataDoc is hereby added as a subcontractor to the contractor. DataDoc will serve as an offsite back-up facility that will provide minimum delay in the turnaround of requirements should the primary site at Hyland be unavailable to perform the work pursuant to Section 1.022 Work and Deliverables.

DataDoc Imaging Service Company
 1700 University Commercial Place
 Charlotte, NC 28213
 Phone-(704)-599-1100

Also, please note the Hyland Software Inc. primary contact has been changed to Brenda Wilson.

All other terms, conditions, specifications and pricing remain the same. Per agency request, contractor agreement, and DTMB Procurement approval.

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**NOTICE
OF
CONTRACT NO. 071B4300070**
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Hyland Software, Inc. 28500 Clemens Road Westlake, OH 44145	Julie Szmatura	julie.szmatura@hyland.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 363-3607	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Jeff Baldwin	(517) 335-8965	baldwinj@michigan.gov
BUYER:	DTMB	Don Mandernach	(517) 284-7019	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title			
COM/COLD Production and Media Storage – Department of Technology, Management and Budget – Office of Support Services, Records Management Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	March 17, 2014	March 16, 2017	2, One Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Firm for Length of Contract	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$ 1,297,788.72	

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CONTRACT NO. 071B4300070
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THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Hyland Software, Inc. 28500 Clemens Road Westlake, OH 44145	Julie Szmatura	julie.szmatura@hyland.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 363-3607	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Jeff Baldwin	(517) 335-8965	baldwinj@michigan.gov
BUYER:	DTMB	Don Mandernach	(517) 284-7019	mandernachd@michigan.gov

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<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$ 1,297,788.72	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #071I3200034. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #: 071B4300070

FOR THE CONTRACTOR:

Hyland Software, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Jeff Brownlee, Chief Procurement Officer

Name/Title

DTMB Procurement

Enter Name of Agency

Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
DTMB-Procurement

Contract No. [071B4300070](#)

COM/COLD Production and Media Storage for the Department of Technology, Management and Budget (DTMB), Office of Support Services (OSS), Records Management Services (RMS)

Buyer Name: [Don Mandernach](#)
Telephone Number: [\(517\) 241-7233](#)
E-Mail Address: mandernachd@michigan.gov



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DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to this RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Customer Materials means paper documents and electronic data, as well as microfilm, microfiche, CDs and miscellaneous media provided by the State to Contractor.

Days mean calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable means the microfilm, microfiche and COLD reports created by the Contractor as a result of the Services.

DTMB means the Michigan Department of Technology Management and Budget.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.



Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services "Services" shall mean (a) the Contractor's conversion of electronic data provided by the State to Contractor into microfilm, microfiche and COLD reports, (b) the Contractor's storage of such microfilm, microfiche and COLD reports, and such other Customer Materials as the State may provide to Contractor, and (c) microfilm inspection and restoration services.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This Contract is for the production of enterprise reporting products in both micrographic Computer Output Microfiche (COM) and digital Computer Output Laser Disk (COLD) formats and the Storage, Retrieval, Inspection & Restoration of Microfilm & Magnetic Media for the State of Michigan consistent with the requirements outlined in the “Work and Deliverable” section of this Contract.

1.012 Background

The Department of Technology, Management and Budget (DTMB), Office of Support Services (OSS), Records Management Services (RMS) is responsible for managing the creation, maintenance, preservation and disposition of the records of all executive State departments and agencies. RMS is also responsible for assisting local governments and other branches of State government with their records management needs.

All State agencies and local governments that utilize these services will do so under the direction and control of DTMB, OSS, and RMS. Request for media storage or enterprise reporting of State records originates within the individual offices of the various State departments and agencies.

To assure that all administrative, fiscal, legal and historical needs of State government are provided for efficiently and cost-effectively, all requests are submitted to DTMB, OSS, RMS for approval. No work is to be done by the Contractor without this approval.

Local government agencies that choose to utilize this Contract must do so under the same terms and conditions as State agencies.

Many State agencies and local governments rely upon another source to provide these services. Providing for the needs of State agencies on a centralized basis involves a full range of information management services, including but not limited to the operation of microfilm/fiche cameras, microfiche COM production machines, microfiche/film processors, microfiche/film duplicators, CD-R/DVD drives and other various digital media recording/reading devices. Turnaround time for job production ranges from same day to several weeks, depending upon the individual job requirements.

1.020 Scope of Work and Deliverables

1.021 In Scope

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. The Contractor must not be constrained from supplementing this listing with additional steps, sub tasks or elements deemed necessary to permit the economically feasible development of alternative approaches, or the application of proprietary analytical techniques or production methods.

Scope - Media Storage/Inspection Related:

The following applies to all microfilm/fiche/computer media storage, retrieval, inspection & restoration of microfilm.

The Contractor must:

1. Provide safe, secure storage for various micrographic and electronic media formats by the roll/sheet/cartridge/disc, box or carton in a “Vault” type environment.

- a. *The State’s definition of a vault is a separate room within the Contractor’s storage facility. This room must have additional fire protection, security measures and environmental controls in place. The vault must utilize a fire extinguishing system compliant with the National Fire Protection Association (NFPA) (Standard 2001 – Current Edition) on “Clean Agent Fire Extinguishing System”. Access to the vault must be restricted to authorized personnel and the rooms in which the records are to be stored must have a separate locking door with smoke and heat detection direct to Police and Fire departments. The climate control of the*



- b. *storage vault must be maintained with the humidity at 35%, plus or minus 5%, and the temperature must not exceed 70 degrees Fahrenheit.*
2. Retrieve items stored by agencies and perform internal electronic tracking within the Contractor's facility.
3. Place new or previously retrieved items into new or existing containers depending on instruction given.
4. Label all media appropriately with agency identification and content identification.
5. Assist the customer in developing a statement of work for new applications as needed.
6. Advise the customer and RMS regarding options for long-term media preservation and storage solutions.
7. Provide silver and diazo duplication of 16mm roll, 16mm jacket, 35mm roll, 35mm aperture card, and 105 microfiche.
8. Inspect existing microfilm/fiche in accordance with ANSI/AIIM MS45-1990, *Recommended Practice for Inspection of Stored Silver-Gelatin Microforms for Evidence of Deterioration*.
9. Provide results of inspections in a format approved by RMS.
10. Provide splicing, repair and restoration of various microforms.
11. Provide the replacement of containers/reels or cartridges.
12. Provide pickup and delivery services.

Scope - Enterprise Reporting Related:

The following applies to both digital (COLD) and micrographic (COM) formats used in the creation of enterprise reports.

The Contractor must:

1. Produce 4"x 6" silver halide Computer Output Microfiche (COM) and/or Computer Output Laser Disk (COLD) from various magnetic media while meeting or exceeding the State of Michigan Standards, which can be found at our website http://www.michigan.gov/dmb/0,4568,7-150-9141_21738-96210--,00.html.
2. Interact with the individual departments and agencies to maintain the level of customer service currently being provided. The Contractor must review each application with the individual departments and agencies on a periodic basis to be sure the delivered products are formatted according to the user specifications and all distribution requirements are being satisfied.
3. Interact with the designated system analysts of each application to affect application changes and new application set-ups.
4. Be responsible for proofreading the original and duplicate formats produced to be sure all images are readable and of acceptable quality.
5. Produce duplicate microfiche onto diazo film. The duplicate 105 microfiche will have a white stripe to highlight the microfiche title. All 105 microfiche jobs must be collated and distributed in sets. The Contractor must have the capability to make duplicates of a duplicate microfiche using non-stripe diazo.
6. Perform custom programming functions related to delivering the product.
7. Label all media returned with agency identification and content identification.
8. Assist the customer in developing a Statement of Work.
9. Advise the customer and RMS regarding the best method for obtaining the most favorable, cost effective product.
10. Provide applications in an electronic format utilizing Open Text/Alchemy file formats or other COLD type application as requested by the agency. Delivery must be in form of a complete database or as an upload utility.
11. Provide pickup and delivery services.

1.022 Work and Deliverable

The Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

An overall plan must be developed as a basis for executing subsequent steps as each project progresses. Essential to the process is the preparation of a sound approach to attaining the objectives of each project. It is the responsibility of the Contractor to advise the customer and the RMS staff regarding the best method for obtaining the most favorable product. The Contractor must assist the customer in identifying techniques that can be deployed to reduce total cost associated with these tasks.

**Media Storage and/or Inspection**

The agency, Contractor and Contract Compliance Inspector (CCI) must agree and sign a Statement of Work (SOW) for each job/application prior to any production being performed for local government agencies utilizing this Contract (State agency microfilm is managed through the Versatile Software System maintained by RMS). It is the responsibility of the Contractor to develop the SOW. The SOW must contain all information necessary to identify all billable tasks and other information necessary to obtain the desired output. The SOW must include but may not be limited to the following:

- Agency customer information (including billing/budget codes)
- Contact information
- Purpose of the project
- Scope and objective of the project
- Pickup and delivery schedule
- Quality control specifications
- Quantitative cost estimate and line item detail
- Any other information deemed relevant to the project

A copy of the final signed and approved SOW must be filed with the RMS. Any changes to the SOW after production begins must be agreed upon in writing and filed with the SOW. Changes to the SOW that have a quality or financial impact require signatures from all parties.

COM/COLD

The agency, Contractor and CCI must agree and sign a SOW for applications prior to any production being performed. It is the responsibility of the Contractor to develop the SOW. The SOW must contain all information necessary to identify all billable tasks and other information necessary to obtain the desired output. The SOW must include but may not be limited to the following:

- Agency customer information (including billing/budget codes)
- Contact information
- Purpose of the project
- Scope and objective of the project
- Pickup and delivery schedule
- Sample for test methods and results (including quality attributes)
- Header specifications (for microfiche applications)
- Indexing specifications (for COLD applications)
- Product finishing and labeling specifications
- Quality control specifications
- Quantitative cost estimate and line item detail
- Any other information deemed relevant to the project

A copy of the final signed and approved SOW must be filed with the RMS. Any changes to the SOW after production begins must be agreed upon in writing and filed with the SOW. Changes in the production process that have a quality or financial impact require signatures from all parties.

Work Submission Process

The work submission process will be in constant development with a primary emphasis given on the requirements noted in this Contract.

The Contractor must dedicate the required resources (staff and equipment) to satisfy the need of the individual applications and the requesting agencies. This includes current applications as well as future applications.

The Contractor must remain flexible to be sure all applications are completed in a manner specified and agreed upon by the agency and must communicate with all responsible parties whenever the need arises.



To establish a specific work plan by application would be difficult so generalities must be assumed for the majority of applications except where noted in the Contract. If specific requirements are noted for certain applications these requirement must be fulfilled and satisfied.

Typically the Contractor must pick up from the State of Michigan Record Center any magnetic media that contains data to be converted to digital and micrographic formats and/or media to be stored. At the same time any previously created microfiche, magnetic media and or storage media must be delivered to the Records Center and placed in the appropriate areas for delivery through the State ID Mail.

There may be unique and specific delivery instructions issued by a local State agency that may change the above process, which the Contractor must adapt to.

Currently the Contractor must coordinate its efforts through the Records Center. Eventually there must be a one to one contact with the individual State agencies.

All digital and micrographic formats must be tested, samples created, samples delivered and approved by the agency before production begins.

The Contractor must secure, from the agency, the storage, duplication and distribution instructions necessary to satisfy the needs of the requesting agency.

The Contractor must package the completed microfiche and microfilm into acid free envelopes or boxes.

The appropriate labels must be attached. The Contractor must maintain an up to date distribution list and must coordinate this list with the State liaison or the individual agency representatives.

The Contractor must create a paper trail record to support all storage, inspection, digital and micrographic production with the date the media is received, list of application, number of original microfiche, duplicate microfiche provided, the number of frames produced, and when it was delivered. These documents must act as input to the accounting process.

The Contractor must produce a monthly billing statement in an Excel spreadsheet format for each transaction as defined by the DTMB, OSS, and RMS staff.

The monthly invoice must be submitted electronically and must be sent to the DTMB, OSS, and RMS.

Timelines must be established for the invoice submission process after award of Contract.

The Contractor must provide a LOCAL representative with experience in all facets of digital and micrographic operations to meet with all State agency representatives whenever necessary. A LOCAL programming support person must also be made available. Regularly scheduled meetings must be established.

General Requirements

All services performed under this Contract must be housed and staffed within the United States of America (preferably in the State of Michigan), unless specifically authorized by the CCI. Authorization may be in the form of a SOW for a specific project or by Contract Amendment.

The Contractor must provide a tour of its production and storage facilities for approval by the State prior to the award of this Contract.

The Contractor is responsible for building all necessary quality control mechanisms in the production process in order to insure the desired result.



Each week, the Contractor must certify, through the use of a non-affiliated film testing laboratory, that the processed silver negatives from all 16mm, 35mm, and 105mm processors have .014 grams s2o3/m2 or less in accordance with the Michigan Standards for Capturing Microfilm from Paper and the Michigan Standards for Capturing Microfilm from Digital Images. Certification test results must be sent to the RMS within five calendar days of the testing.

The Contractor must maintain sufficient information to identify all rolls of film run on a particular batch so as to be able to contact the agency should a methane blue test fail.

Failure to consistently perform Methylene Blue testing, or failure to meet the required level of residual thiosulfate, or failure to provide testing results on a timely basis may result in cancellation of the Contract.

Media Storage/Inspection Specific Requirements

The Contractor must have documentation of past history of consistently meeting standards for storage of microfilm as adopted by the International Standardization Organization (ISO) (ISO Standard 18911:2000) and the Association for Information and Image Management (AIIM) (MS23-1998).

The climate control of the storage vault must be maintained with the humidity at 35%, plus or minus 5%, and the temperature must not exceed 70 degrees Fahrenheit.

The Contractor must begin providing a full range of storage services within 30 days after award of Contract.

The storage facility must be secure from disasters such as fires, floods, riots, tornadoes, and explosives. The rooms in which the records are to be stored must have a locking door with smoke and heat detection direct to Police and Fire departments.

The facility must have an automated alarm system to prevent un-authorized access to the facility and the records.

The storage facility must utilize a fire extinguishing system compliant with the National Fire Protection Association (NFPA) (Standard 2001 – Current Edition) on “Clean Agent Fire Extinguishing System”

Access to the facility must be restricted to authorized personnel. Adequate security procedures and systems must be provided to prevent loss, theft, or destruction of public records to ensure safety and integrity of the records stored there.

No cellulose nitrate films must be stored in the facility.

The storage facility must provide either two distinct vaults or provide separate storage areas that are a minimum of 10 feet apart within a single vault to store microfilm that has been certified clean, separate from microfilm that has not been inspected.

Certified clean means new polyester based camera original, new silver duplicate film or polyester based silver film that has been inspected by the Contractor or otherwise certified by the state as being “clean”.

Film stored under this Contract must not be commingled with other customer’s media collections.

The records must be available to the State five days a week, Monday through Fridays except State holidays. Emergency access to records must be made available seven days per week, 24 hours per day.

The Contractor must have the capacity to retrieve microfilm and magnetic media and deliver it to the DTMB, OSS, and RMS within 24 hours of request. Cost of delivery to the State Records Center must be included in the annual cost for storage. It is anticipated that daily deliveries will be necessary. All pickups and deliveries for the State of Michigan must be performed by the Contractor.



The Contractor must provide affidavits of confidentiality in the form and manner designated by the State (see **Attachment C**) for all individuals that will be assigned to the performance of this Contract. Any changes in staffing assigned to performance of this Contract by the Contractor will be reflected in new confidentiality statements being provided. Unauthorized disclosure by the Contractor will be cause for immediate cancellation of this Contract.

Only individuals whose credentials have been inspected by the State to meet ANSI/AIIM MS45-1990 Recommended Practice for Inspection of Stored Silver-Gelatin Microforms for Evidence of Deterioration and approved by the State will qualify to do the actual inspection of microfilm to certify clean. Any changes in staffing associated with the inspection service must undergo re-inspection of their credentials and be authorized by the State.

For those records that are to be destroyed, the Contractor must confidentially destroy by granulating or other approved methods that result in a 1/32" particle size. The Contractor must indicate the process that will be used for destruction. The Contractor must certify to the DTMB, OSS, and RMS which boxes were destroyed and the method of destruction.

All services for this Contract must be performed on a single site or campus and preferably be located within the State of Michigan.

The Contractor must have the ability to track items checked in/out.

The State will not pay any additional fees for the permanent removal of the collection other than those normally associated with labor to move and palletizing said records.

The State and local agencies using this service will be responsible for providing all boxes used to store material. Box sizes are specified under **Attachment A**.

The Contractor must work with the DTMB, OSS, and RMS area in development of procedure manuals associated with the tasks performed under this Contract.

All data associated with this Contract, that is collected and/or created either in paper or electronic format by the Contractor, is the property of the DTMB, OSS, and RMS and must be turned over to the State upon termination of this Contract in the manner prescribed by the agency.

Any original and diazo film produced by the Contractor must be subject to selection for testing by the RMS for adherence to applicable standards and quality requirements.

Finished silver roll film must be returned to the State in plastic containers. Diazo duplications of roll film must be returned in cardboard containers. Silver duplicates must be returned in acid free cardboard containers. Microfiche must be packaged in acid-free envelopes. Originals and diazo copies must not be joined together in the same envelope or wrapped together in same package.

The Contractor is expected to fill out a quality control sheet for each roll processed indicating the resolution, density, Dmin and D-max of that roll. The cost for charting for film produced by the Contractor must be included in the filming and/or processing cost.

The Contractor must use a deep tank processor to process all microfilm generated for long-term preservation.

The Contractor must maintain a second deep tank processor on site for backup. The Contractor must report immediately to all effected State agencies and RMS, any downtime or conditions that would prevent the Contractor from providing services in the time frames specified on a SOW.



The agency will notify the Contractor within 30 days if the microfilm product does not meet acceptable quality levels. If disapproved due to Contractor error, the Contractor must re-film or otherwise perform appropriate corrective action at no additional cost to the State.

Microfilm lab certification or over site agreement from a major microfilm manufacturer is preferred.

Enterprise Reporting Specific Requirements

The following applies to both Silver Halide Microfiche and digital formats.

The accepted input media includes 9track 1600/6260 bpi reel tapes, 3480/3490/3490E cartridge tapes, 3.5" diskette, DC600A, DC6150, DC6250, DC6525, 1gig and 2gig quarter inch cassette tape, 4MM cassette tape, 8MM cassette tape, CD-R, DVD and DVD-R. 3480/3490/3490E cartridges will be the primary input media. FTP, encrypted E-Mail and other types of data transmission capabilities may be required.

Input data may be from any system including, but not limited to, Honeywell Bull (ASCII or BCD), Unisys, Windows and Wang computer systems.

There will be specific requirements for certain applications that must be followed and details will be provided after the Contract is awarded, but these may include but not be limited to:

- **SPOOLERS:** Spoolers are tape cartridges that contain multiple files. Spoolers will be identified by the file ID OO91114M42 and OO91114M48. Some files are run together as a single application while others are run separately. Spoolers may or may not contain the same files in the same order from processing to processing. Spoolers may or may not contain files from many different departments, but all are produced on the Unisys Mainframe.
- **DEPARTMENT OF COMMUNITY HEALTH (DCH):** There are two applications that require special handling for the DCH. These cartridges are mailed to the Records Center and the Contractor must return the cartridges with the completed microfiche. Reports 1601801 and 1601901 must be returned by State ID Mail.
- **WORKER'S COMPENSATION:** Form 400/401 – received daily via FTP. The data is accumulated throughout the week and processed and returned the following Monday. The data and respective file formats utilize the Max Retriever (Acartus/EMC) COLD retrieval software.
- **FORM 114** – is received quarterly via FTP. The data is processed and returned the same day it is received. The data and respective file formats utilize the Max Retriever (Acartus/EMC) COLD retrieval software.

The Contractor must package the original microfiche in a white acid free half envelope/sleeve, or if too large to fit, wrap in acid free paper for shipping. All copies must be packaged the same way. Completed jobs must be shipped inside an acid free envelope indicating microfiche inside. If too large to fit an envelope a shipping box sized for microfiche may be used.

Enterprise Reporting - Application Requirements

The following applies only to 105mm Silver Halide Microfiche:

- 42X and 48X reductions for microfiche
- Negative polarity for original microfiche.
- Negative polarity for duplicate microfiche.
- Silver Halide, wet processed original microfiche.
- Diazo duplicates for microfiche.
- Must have an offsite production back-up facility to assure that there must be a minimum delay in the turnaround requirements should the primary site be unavailable.
- Custom Form Overlays (approximately seven total).

**Enterprise Reporting - Distribution**

The following applies to both digital and micrographic formats:

The Contractor must pick up the magnetic media from the Records Center or other designated Lansing or Detroit area locations on a daily basis.

The Contractor must package the deliverables according to the individual instructions established by the receiving departments and agencies SOW.

The Contractor must maintain a distribution database and provide the proper labeling instructions for approximately 150 receiving locations. All address and copy count changes must be authorized by a designated contact for each department or the designated State CCI. Each application must have specific distribution requirements. The completed microforms must be returned to the designated drop off sites at the Records Center for delivery into the State internal mail system.

The Contractor must fill out and attach the proper storage release form to any original security microfiche to be stored at the Record Center.

The magnetic media must be returned to the Records Center for shipment back to the data center. Turnaround time will vary from 24 to 48 hours from the time the magnetic media or electronic transmission is received. There may be unique and special requests where immediate turnarounds may be required. Extended turnarounds for some applications may be acceptable with prior permission.

Certain applications have the original microfiche stored at the Records Center automatically when run.

There must be a completed "Original Microfilm Storage Release Form" attached to each delivery. The Contractor will receive a master copy of this form that has been signed by the agency authorizing storage of their film.

The Contractor must fill in the report name and run number for each application being sent on a copy of the master form.

The original security microfiche and form must be delivered to the designated area at the Record Center.

Pickup and Delivery

The Contractor is required to provide its own courier service. This service must not be contracted to a third party without written consent of the State.

Specific jobs must be picked-up and returned to the State Records Center located at 3400 N. Grand River Ave., Lansing, Michigan or directly from the agency location. Pickup direct from the agency is the preferred method. There must be no charge for pick-up and delivery from agencies within a 50-mile radius of downtown Lansing, 50-mile radius of Detroit, and a 50-mile radius of the Contractor's production facility. Pick-up and deliveries from any other location may be subject to a charge based on current (at the time of service) State of Michigan standard mileage reimbursement rate or actual third party carrier costs.

Any pickup or delivery charges must be identified in the Statement of Work.

The Contractor is required to schedule daily pickup and delivery services at the State Records Center. Various agencies also require daily pickup and delivery services.

Data Transmission

A limited number of applications require the ability to transmit data via Virtual Private Network (VPN), private switched circuit or encrypted e-mail attachment. The Contractor must have the ability and technical expertise to facilitate the establishment of and management of these transmission mechanisms.

**Agency Access**

The Contractor must enable records in their possession to be retrieved by the agency. Upon request for a record to be retrieved, the Contractor must deliver the requested record(s) to the agency from which they otherwise originated by the following workday; or the Contractor will allow a designated representative of the requesting agency to come to the Contractor's facility and retrieve the record(s) within two hours of being notified unless otherwise specified on the SOW. The Contractor must release the requested records only to an authorized representative of the requesting agency.

The Contractor must require positive identification, such as a driver's license, state identification or a predetermined identification code of the person receiving the records before the records will be released.

Under no circumstances is the Contractor to release any records or information to any person other than those authorized by the agency.

Security*General*

Records and information are essential to the operation of state government and must be protected from vandalism, theft, unauthorized duplication, loss, damage or destruction while in the possession of the Contractor.

Records and information may contain confidential information that is prohibited by statute from disclosure.

All records or information described in this Contract, regardless of format, content or structure, unless specifically approved by DTMB, OSS and RMS, must be stored at least 50 miles away from Grand Rapids, MI, due to vital nature of the records being stored. Additionally, due to the Michigan Vital Records Office needs to visit and inspect their film collection on a regular basis to ensure its stability, this primary records and information storage facility must be within a two hour drive window from the Lansing State Capital, to avoid any overnight travel expenses.

Furthermore, the Contractor must not allow any external staffing sources, to gain access to State records, microfilm, microfiche, data, indexes, and/or other electronic information generated as a result of this Contract without the specific written consent of the agency and CCI.

The location of all storage (physical and electronic), processing, production, server room, backup facilities etc., used to fulfill this Contract, must be provided to the State prior to the Contract award.

The Contractor must provide safe handling, confidentiality and security over all paper records, microfilm, microfiche, data, indexes, and/or other electronic information generated as a result of this Contract while in the Contractor's possession or subcontractors possession including providing periodic backups of production work. This covers the period of time from when the microfilm, microfiche or data tapes leave the State office of origin until such time as the finished product is returned back to the designated agency. This also includes the time during which the records are being held after they have been converted, until they are destroyed or returned back to the State.

The Contractor will be held fully liable in the event of loss, damage, theft or destruction of records or information contained on the microfilm, microfiche or data tapes while in the Contractor's possession. Any cost incurred by the State, including the cost to recreate or recover lost, damaged or destroyed records will be the responsibility of the Contractor.

The Contractor must maintain appropriate documentation and/or standard operating procedures in regards to all aspects of security measures outlined in this section throughout the term of this Contract and must, upon request, provide a copy of all such documents to the CCI.

The Contractor may be subject to a security audit as a condition of award and is subject to announced and unannounced security audits and site inspections after the award of this Contract.

**Physical Security**

All information must be protected from damage or exposure from the elements during storage and transit.

Vehicles used for transportation of materials or final productions must be maintained in good working condition and must remain locked at all times while transporting State materials. Transportation vehicles must not be used for storage purposes temporary or otherwise.

At the end of a pickup or delivery, all State materials must be maintained within the Contractor's secured building.

When information is in the possession of the Contractor, and are not in actual production, the information must be maintained in a secure room that is separate from the production area. The Contractor must permit random unannounced visits by the DTMB, OSS, and RMS to monitor security measures in place.

Network/Data Security

To protect the confidentiality, integrity, privacy and regulatory issues of the State and the citizens for which it serves, the Contractor must have in place the tools, practices, policies, procedures and other mechanisms to ensure a secure network environment.

The Contractor is required to employ firewalls and other access controls, intrusion detection, anti-virus software and any other necessary controls to ensure a secure network environment.

The Contractor is required to provide a detailed description of their security measure prior to the award of this Contract.

The Contractor must monitor attacks upon their network systems and report to the CCI any and all attacks that appear to be deliberate attempts to access State data.

The Contractor must maintain current patch levels on software used in association with the Contract. The Contractor must create and maintain backup data for all production materials for no less than 30 days and no later than 60 days after delivery of the final product, unless otherwise specified in a SOW. Backups must be created and maintained in such a way as to insure that full restoration of a particular job order can be recovered for the full length of time the agency is allowed for quality inspection purposes, (30 days unless otherwise specified in a SOW).

If the Contractor utilizes a third party for backup tape storage and protection, all backup tapes containing State owned data must be stored at least 50 miles away from Grand Rapids, MI, due to the vital nature of the records being stored, and must be encrypted. Otherwise, proper physical security measures must be employed as described in the Physical Security Section of this Contract.

Employee/Subcontractor Security

Professional background checks must be performed on all staff, at the Contractor's cost, including subcontracted staff upon hiring and/or prior to the award of this Contract.

The Contractor must have on file, affidavits of confidentiality for all individuals that will be assigned to the performance of this Contract. At a minimum, affidavits of confidentiality for all staff and subcontractors must be updated annually. The annual affidavit of confidentiality must include a statement of certification that the employee or subcontractor has not committed any acts since the signing of the previous affidavit that would result in the change in the results of their existing background check.

Any changes in staffing assigned to performance of this Contract by the Contractor must be reflected in new confidentiality statements on file.

Additional affidavits of confidentiality may be required by specific agencies for certain applications. The Contractor may also be required to limit access to information related to certain applications to specific staff members.



Unauthorized disclosure by the Contractor or subcontractor, of any information contained in any of the records will be cause for immediate cancellation of the Contract and may result in prosecution for any violation of applicable laws.

Termination

All records and information associated with this Contract that is collected and/or created by the Contractor, is the property of the State and must be turned over to the State upon termination of this Contract in the manner prescribed by the State.

The State must not pay any fees for the permanent removal of State owned records and information other than those normally associated with labor to move and palletize.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

The Contractor must designate Project Managers to work on this Contract. These Project Managers must be responsible for insuring a quality product is produced. Any change in Project Manager must be documented in writing and filed with the SOW.

This Contract must be considered a "house account". The Contractor must designate a person responsible for analyzing requested work, developing recommendations and alternatives and writing the SOW. The individual responsible for this function must not be compensated through volume based commissions.

The Contractor must designate a person that will be on-site at its production facility on a daily basis that the agency Project Manager and CCI can readily contact and meet with to discuss daily provisions of the provided services.

1.040 Project Plan

1.041 Project Plan Management

The Contractor must carry out this Contract under the direction and control of the DTMB, OSS, and RMS.

1.042 Reports

The Contractor must submit written monthly summaries of progress which outline items such as pending SOWs, status of current jobs in production, accomplishments; problems, real or anticipated, which must be brought to the attention of RMS and notification of any significant deviation from previously agreed upon work plans.

1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract:

General Enterprise Reporting Requirements:

Unless otherwise specified by the agency, and identified in the SOW, the Contractor must inspect a minimum of 10%, by random sample, of each batch for image alignment, readability, contrast, overlapped images, data entry accuracy and any other defects in its finished product.

Quality must be guaranteed with an accuracy rate greater than 99.5% or as otherwise specified in a SOW.

Failure to meet the accuracy rates specified, or quality expectations defined in the SOW will result in a complete re-processing of the batch at no additional cost to the State. A batch must be defined as a specific pickup. If a pickup is exceptionally large, for the purposed of inspection, the job must be broken into smaller more manageable batches as defined in the SOW.

Microfiche Specific Requirements:



Failure to maintain consistent quality fiche will be reason for cancellation of the Contract. The CCI retains final authority to determine whether or not the images are acceptable and if the records need to be re-generated. The Contractor is required to complete the corrective action within 10 business days after being notified that it is necessary, unless additional time is deemed warranted by RMS.

The 30-day review period must start over at the re-delivery of the corrected product.

The agency must notify the Contractor within 30 days if the microfiche product does not meet acceptable quality levels. If disapproved due to Contractor error, the Contractor must re-generate or otherwise perform appropriate corrective action at no additional cost to the State.

Digital Imaging Requirements:

The agency must notify the Contractor within 30 days if the imaging product does not meet acceptable quality levels. If disapproved due to Contractor error, the Contractor must re-generate the entire batch or otherwise perform appropriate corrective action at no additional cost to the State.

DTMB and RMS retain final authority to determine whether or not the images are acceptable and if the records need to be re-generated.

The Contractor is required to complete the corrective action within 10 business days after being notified that it is necessary, unless additional time is deemed warranted by RMS.

The 30-day review period must start over at the re-delivery of the corrected product.

1.052 Final Acceptance – Reserved

1.060 Proposal Pricing

1.061 Proposal Pricing

See “**Attachment A**” for the Pricing Sheet. All quantities listed on the Price Sheet are estimates only.

The State does not commit to procuring any specific amount of services over the life of any Contract.

The Contractor must submit a single invoice for each service provided at the end of each month as specified by RMS.

No partial job orders can be billed without prior written approval of RMS.

Invoices must be consistent in their format/appearance and contain information specified by RMS.

All supporting documentation must accompany the submitted invoices. Supporting documentation may include, but may not be limited to: copies of job orders identifying product has been received by an agency, packing slips indicating receipt of products and copies of postage receipts.

For balancing purposes, the Contractor must submit a completed excel spreadsheet containing line item detail for each service. This spreadsheet must be submitted electronically no later than the last business day of the month. The spreadsheet format will be provided to the Contractor by RMS at the beginning of each fiscal year.

Product descriptions contained in the invoice must be consistent with those contained in the monthly excel spreadsheet.

RMS is responsible for billing the agency.

The Contractor must direct all billing questions from an agency to RMS.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.



1.062 Price Term

Prices quoted are firm for the entire length of the Contract, with the exception of microfilm products influenced by shifts in the silver and petroleum markets.

The following terms only apply to price changes due to the potential change in the cost of raw microfilm stock:

Prices quoted are the maximum for a period of 365 days from the date the Contract becomes effective. Prices are subject to change at the end of each 365-day period. Such changes must be based on changes in actual costs incurred for raw materials used to deliver the finished product. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. DTMB-Procurement also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Approved changes must be firm for the remainder of the Contract period unless further revised at the end of the next 365-day period. Requests for price changes must be RECEIVED IN WRITING AT LEAST 10 DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be cancelled. **The Contractor remains responsible for performing according to the Contract terms at the Contract price for all orders received before price revisions are approved or before the Contract is cancelled."**

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback – Reserved

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this RFP

Standards and Public Acts

The Contractor must comply with all relevant standards and public acts that may include, but not be limited to:

- State of Michigan, Standards for Capturing Digital Images from Paper or Microfilm
- State of Michigan, Standards for Capturing Microfilm from Paper
- State of Michigan, Standards for Capturing Microfilm from Digital Images
- Social Security Number Privacy Act, P.A. 454 of 2004

The Contractor must be responsible for understanding and assisting agencies to implement systems that comply with the following:

- State of Michigan, Best Practices for Reproducing Public Records
- State of Michigan, Best Practices for Capturing Digital Images from Paper or Microfilm
- State of Michigan, Best Practices for Capturing Microfilm from Paper
- State of Michigan, Best Practices for Capturing Microfilm from Digital Images

Additionally, where applicable, the Contractor must conform to standards as adopted by the American National Standards Institute (ANSI), the Association for Information and Image Management (AIIM) and the International Standards Organization (ISO).



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of three years beginning 3/17/2014 through 3/16/2017. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional one-year periods.

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one (1) or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

The Contract is issued by the Department of Technology, Management and Budget, DTMB-Procurement and DTMB, Office of Support Services, Records Management Services (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **DTMB-Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within DTMB-Procurement for the Contract is:

Don Mandernach
Procurement
Department of Technology Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: mandernachd@michigan.gov
Phone: (517) 284-7019

2.022 Contract Compliance Inspector

After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Chief Procurement Officer, in consultation with DTMB, Office of Support Services, Records Management Services, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to**



change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Procurement. The CCI for the Contract is:

Jeff Baldwin
DTMB, Office of Support Services, Records Management Services
3400 N. Grand River Ave., Lansing, MI
Email: Baldwinj@michigan.gov
Phone: (517) 335-8965

2.023 Project Manager – Reserved

2.024 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement and signed by both parties.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile or email which does not generate a notice of failed delivery, if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

**2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor. The Contractor may assign the Contract without prior consent to an affiliate or purchaser of substantially all of its business or assets, so long as the affiliate or purchaser is adequately capitalized and can provide adequate assurances, as determined by the State, that it can perform the requirements of the Contract. Where consent is required, the State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract separate from an assignment permitted above. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one (1) entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, other than an assignment for which consent is not required under (a) above, the Contractor must notify the State in writing at least 90 days before the assignment. For such assignments, the Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

DTMB-Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DTMB-Procurement.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the



State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, and subject to additional priority service fees, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties may negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts or rates.

(b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.



(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the CCI, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two (2) or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.



2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Key Personnel

The Contractor will assign a Production Manager and a Sales Manager who will serve as the primary contact for the State and who will ensure Services and deliverables are provided pursuant to this Contract.

Cindy Littlejohn
Production Manager
3425 Belle Chase Way, Lansing, MI 48911
517.393.8610
Cindy.Littlejohn@hyland.com

Julie Szmatala
Sales Manager
3425 Belle Chase Way, Lansing, MI 48911
734.474.0401
Julie.Szmatala@hyland.com

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested



by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.069 Handling of Customer Materials

- (a) During the term of this Contract the State and Contractor may store additional Customer Materials. Such additional materials shall automatically be deemed to be treated and, if applicable, stored under the same terms and conditions as the original Customer Materials. In connection with the provision of Services hereunder, and when in Contractor's possession, the Customer Materials and Deliverables will be stored at a Contractor managed facility unless Contractor has subcontracted, with approval of the State, the provision of Services.
- (b) The storage site may be changed from time to time by Contractor upon written notice to the State. However, in the event there is a change of the storage facility, the Contractor will provide written notice to the State 60 days prior to such change and the State, with a five calendar days' notice, shall have the right to perform a site visit at a mutually agreeable time. If the State does not agree with the change in the storage facility the State has the option to discontinue the physical storage services.
- (c) The parties acknowledge and agree that responsibility for packaging and transportation of Customer Materials is as follows:
 - (i) Deliveries from State to Contractor – the State is responsible for packaging the Customer Materials and the Contractor is responsible for, including all costs associated with, the pick-up and transportation to Contractor's facility.
Deliveries from the Contractor to the State – the Contractor is responsible for, including all costs associated with, packaging and transportation, to the State facility.
 - (ii) The party that boxes the materials is responsible to label each box (or other method of storage), at a minimum, with the following information: (i) Customer name; (ii) a customer box number and (iii) a general description and date of storage with sufficient detail to allow for retrieval.
- (d) The State represents to Contractor that it is the owner or legal custodian of all Customer Materials and, if applicable, has full authority to store said Customer Materials.
- (e) Contractor shall exercise that degree of care in storing, handling or transporting Customer Materials and Deliverables which a reasonable company would exercise with respect to storing, handling or transporting similar records of its own.



(f) With respect to the storage Services, Contractor may, upon prior notice to the State, replace damaged or unsafe boxes (or other acceptable method of storage), or transfer Customer Materials to boxes in the event the original deposit was not stored in a box(es) and invoice the State, at the rates identified in the pricing sheet, for such replacement or transfer.

(g) The State shall not, at any time, store with Contractor any: narcotics; materials considered to be highly flammable, explosive, toxic or radioactive; organic or other material that may attract vermin or insects; or any other materials which are otherwise illegal, dangerous or unsafe to store or handle in a closed area. Contractor reserves the right to open and inspect any Customer Material tendered for storage based on a reasonable suspicion that the Customer Material contains or constitutes any of the above.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the DTMB-Procurement has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Reserved



2.080 State Responsibilities

2.081 Equipment

The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and, unless agreed otherwise by the parties in writing, must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor must not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate, at its expense, the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be held by the State and not be shared with Contractor or any third party will not be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be requested to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested. Notwithstanding the foregoing, no employee can be forced to consent to any background check; however, if an employee refuses to consent to any such background check, the State may request that another employee be assigned as a replacement.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 Reserved

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.



2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives, at the State's sole cost and expense (excluding Contractor's overhead costs), must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives. In any such case, such access and inspection or review shall be limited to review of the State's data and Contractor's systems and facilities used to handle such data.

**2.112 Retention of Records**

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of 7 years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.113 Examination of Records

(a) The State, upon a 10 calendar day notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

(b) In addition to the rights conferred upon the State in paragraph (a) of this section and in accordance with MCL 18.1470, DTMB or its designee may audit the Contractor to verify compliance with the Contract. The financial and accounting records associated with the Contract shall be made available to DTMB or its designee and the auditor general, upon request, during the term of the Contract and any extension of the Contract and for 3 years after the later of the expiration date or final payment under the Contract.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance.

2.115 Errors

(a) If the parties agree that the audit demonstrates financial errors, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

2.120 Warranties; Disclaimers**2.121 Warranties and Representations**

(a) The Contractor represents and warrants that:

(i) it is capable in all respects of fulfilling and shall use commercially reasonable efforts to fulfill all of its obligations under this Contract;

(ii) the performance of all conversion Services will be provided in a timely, professional, and workman-like manner and will meet the performance and operational standards required under this Contract. For conversion Services this warranty shall be effective for a period of thirty (30) days following the completion of the Services provided ("Warranty Period"). The State must notify Contractor in writing during the Warranty Period if the State believes any Services do not conform to this warranty. If, after such timely notice from the State, the conversion Services are determined not to conform to this warranty, Contractor's sole obligation, and the State's sole remedy, shall be for Contractor to use commercially reasonable efforts to attempt to correct any nonconformity. If Contractor is unable to correct any such nonconformities after a reasonable period of time, the State's sole and entire remedy is termination of this Agreement in exchange for a refund of the amount paid by the State to Contractor for the portion of the nonconforming Services that Contractor is unable to correct.

(iii) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor; and

(iv) It is qualified and registered to transact business in all locations where required.



(b) The Contractor covenants that:

(i) to the best of Contractor's knowledge, neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it; and

(ii) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to DTMB-Procurement.

2.122 DISCLAIMER OF WARRANTIES

Except as expressly set forth in Section 2.121 above, Hyland makes no warranty or representations regarding any work products, innovations, information or services. Hyland disclaims and excludes any and all other express, implied and statutory warranties, including, without limitation, warranties of good title, warranties against infringement, the implied warranties of merchantability and fitness for a particular purpose, and warranties that may arise or be deemed to arise from any course of performance, course of dealing or usage of trade. Hyland does not warrant that any services, work products or any software provided under this Contract will be uninterrupted. Hyland Does not assume any liability whatsoever with respect to any third party hardware, firmware, software or services.

2.123 Reserved

2.124 Reserved

2.125 Reserved

2.126 Reserved

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, is considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items must remain consistent for the term of the Contract, unless DTMB-Procurement has approved a change order pursuant to **Section 2.024**.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.



The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

- ☒ 1. Commercial General Liability with the following minimum coverage:
\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

- ☒ 4. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

☐ 5. Reserved.

- ☒ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.



2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the general liability and automobile liability policies **MUST NOT BE CANCELLED** without 30 days prior written notice for reasons other than for non-payment of premium, having been given to the Director of Procurement, DTMB. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and no later than the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance.

2.140 Indemnification

2.141 General Indemnification

Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and its employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to any third party claims based upon (a) a breach by Contractor (or any of its employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of its obligations under Section 2.100, relating to confidentiality, and (b) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of its employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must demonstrate its financial ability to carry out these obligations.

The State is entitled to: (a) regular updates on proceeding status; (b) participate in the defense of the proceeding; (c) employ, at its expense, its own counsel; and (d) retain control of the defense if the Contractor denies indemnification responsibility hereunder, or if the Contractor fails to provide adequate assurances, if requested by the State to do so, of its financial ability to carry out the defense and its indemnity obligations. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding which would impose injunctive or equitable relief upon the State. To the extent that any State employee,



official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach.

2.152 Termination for Cause

(a) The State may fully or partially terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), and (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State. The State must discharge its obligations under **Section 2.190** before it terminates the Contract for cause.

(b) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

**2.155 Termination for Criminal Conviction**

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take reasonable action for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis, and (e) take reasonable action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience or pursuant to Section 2.154, the State must pay Contractor for all charges due for Services provided before the date of termination and if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue at its own expense completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

(d) Upon termination or expiration of this Contract for any reason, Contractor must, for a reasonable period of time specified by the State (not to exceed 60 days), provide reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Services and Deliverables to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the Services and provide the Deliverables under the established Contract rates; (b) taking reasonable and necessary measures to transition performance of the work to the State or its designee; (c) taking reasonable steps to preserve, maintain, protect, or return to the State all Customer Materials provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed Deliverables prepared under this Contract as of the Contract termination date; and (e) prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts. This Contract will automatically be extended through the end of the transition period. Notwithstanding anything to the contrary herein, if, within sixty (60) days following any termination or expiration of this Contract, the State does not arrange for the return of any Customer Materials or Deliverables, or the parties are unable to agree upon a mutually agreeable extension of such transition period, Contractor may destroy all Customer Materials and Deliverables without liability of Contractor.



2.158 Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach.

The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates the Contract.

2.170 Reserved

2.180 Stop Work

2.181 Stop Work Orders The State may suspend any or all of the conversion Services called for under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for any work, Deliverables or Services; Contractor's lost profits; or any additional compensation during a stop work period.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. The claiming party must submit a letter, together with all data supporting the claims, executed by such party's designee certifying that (a) the claim is made in good faith, (b) the amount or remedy claimed covers all costs or damages of every type to which the claiming party is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to the claiming party's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) The parties must meet with the Director of Procurement, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties mutually agree and reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process or on the 60th day after a written notice of claim or dispute has been delivered, whichever comes first, the Director of Procurement, DTMB, or designee,



must issue a written opinion regarding the issue(s) in dispute. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies, but is not binding upon Contractor. Thereafter, either part is free to initiate legal proceedings.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is justified.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Reserved

**2.205 Prevailing Wage**

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of the Contract in privity of contract with the Contractor must not be less than the wage rates and fringe benefits established by the Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor must include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of the Contract in privity of contract with the Contractor must keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Licensing and Regulatory Affairs, the office responsible for enforcement of the wage rates and fringe benefits. The Contractor must keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with the Contract. This record must be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted must also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law**2.211 Governing Law**

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability**2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, punitive or special damages, loss of business profits, business interruption, or the cost of substitute services, even if a party has been advised of the possibilities of such damages. This limitation of liability does not apply to damages awarded to a third party in connection with a claim for personal injury or damage to tangible property for which Contractor is obligated to indemnify the State under Section 2.141, or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. Notwithstanding anything to the contrary, Contractor shall not be liable for any loss or destruction of, or damage to, Customer Materials, however caused, unless such loss or damage resulted from the failure by Contractor to exercise the standard of care described in section 2.069 above. Contractor's liability, if any, for loss, damage, or destruction to the Customer Materials shall be limited to three (3) times the aggregate services fees paid to Contractor during the immediately preceding twelve (12) months of this Contract. The



State acknowledges and agrees that normal deterioration and aging of materials occurs with time, and Contractor is not liable for any such deterioration. Contractor does not accept any liability for the intrinsic value to the State of the information comprised in the Customer Materials and cannot replace such information if the Customer Materials are lost or destroyed.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Contractor must, within 30 days of Contractor becoming aware that a change in its ownership has occurred, notify DTMB-Procurement.

2.232 Reserved

2.233 Reserved

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Reserved

2.243 Reserved

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes;



injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 20 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may, at its expense, procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

Although the Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition, the State shall pay the Contractor for all Services rendered/Deliverables provided prior to any suspension or termination. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Reserved

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables. The Contractor does not claim any ownership, international copyrights, trademarks, patents, or other proprietary rights in the Deliverables.

2.262 Reserved

2.263 Rights in Data

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.



(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be owned by Contractor and licensed directly to the State.

2.270 State Standards

2.271 Reserved

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/cybersecurity/0,1607,7-217-34395_34476---.00.html. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Reserved

2.290 Environmental Provision

2.291 Environmental Provision

Hazardous Materials:

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.



(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.



Attachment A, Pricing

Price sheet description of line items

MICROFILM, SMALL BOX - includes but may not be limited to; storage of approx. ½ cubic foot of 16mm, 35mm or 105mm microfiche/film contained in a storage box sized approximately 15" Deep x 10.5" Wide x 4.75" High. Quantity within boxes may vary from 1 roll to approx. 30 rolls depending on size of film. Current volume is 18520 boxes. Estimated annual volume is based on a 16% growth per year.

MICROFILM, LARGE BOX - includes but may not be limited to; storage of approx. 1 cubic foot of 16mm, 35mm or 105mm microfiche/film contained in a storage box sized approximately 15" Deep x 12" Wide x 10" High. Quantity within boxes may vary from 1 roll to approx. 90 rolls depending on size of film. Current volume is 5700 boxes. Little to no growth rate anticipated.

MICROFILM 16mm by the roll - includes but may not be limited to; storage of an individual roll of 16mm microfilm. This option is for agencies with small volumes unable to fill a box. The Contractor may consolidate the storage of these collections as long as the ability to identify and retrieve individually is not lost and the inspection or film verification process is followed.

MICROFILM 35mm by the roll - includes but may not be limited to; storage of an individual roll of 35mm microfilm. This option is for agencies with small volumes unable to fill a box. The Contractor may consolidate the storage of these collections as long as the ability to identify and retrieve individually is not lost and the inspection or film verification process is followed.

MAGNETIC TAPE REELS- includes but may not be limited to; storage of an individual round reel used for storage of data produced from a computerized function. Sizes may vary

MAGNETIC TAPE CARTRIDGES - includes but may not be limited to; storage of an individual cartridge used for storage of data produced from a computerized function.

OPTICAL DISC - includes but may not be limited to; storage of an optical disc contained in jewel case of standard size used for storage of digitized information.

MISC MEDIA – includes but may not be limited to; storage of cabinets or misc sized boxes or storage containers.

RETRIEVAL SERVICES, - includes but may not be limited to; the retrieval of items previously stored by agencies and include the internal tracking performed by the Contractor.

NEW ADDITIONS, INTERFILES & RE-FILES SERVICES (ALL MEDIA TYPES) – MAGNETIC, OPTICAL, ROLL, FICHE OR BOX- includes but may not be limited to; the placing of new items into the collection that have not previously been stored, the return of an item previously retrieved or the interfiling of new items into existing containers. Also included is the internal tracking performed by the Contractor. Items may include small boxes, large boxes, microfilm by the roll, magnetic tape reels, magnetic tape cartridges or optical disc as listed under storage services, Attachment A. For microfilm rolls, this also includes the limited inspection of the first three feet of a roll of film to verify the film base. (This process may be required to be performed on additions, re-files, or interfiles to determine if inspection is warranted. Specific requirements will be determined after contract has been awarded.)

INSPECTION SERVICE - includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, the inspection of roll film performed in accordance with the **ANSI/AIM MS45- 1990** Recommended Practice for Inspection of Stored Silver-Gelatin Microforms for Evidence of Deterioration. The inspection process will identify but may not be limited to inspection date, box ID number, box size, date filmed, film type, roll film size; film created by, container type, reel type, film base, observations of contaminants and recommended corrective action. Film will be inspected and Contractor will



provide results of inspection of each roll of film on an inspection form or in a database format approved by the state and return the film to its vault location.

SPLICING/FILM REPAIR - includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, any and all tasks necessary to repair a roll of microfilm in order to restore it to the best possible condition for the purpose of duplication. (There will be many variables associated with this process based on each agencies collection; the process may vary from just a couple minutes per roll to over an hour if extreme measures are needed.

FILM CONTAINER REPLACEMENT - includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, replace with acid free cardboard container, label as original or as instructed and return the film to its vault location.

REEL REPLACEMENT - includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, replace it with a black plastic reel and return the film to its vault location.

DIAZO DUPLICATION (16mm, 35mm) – includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, duplicate microfilm, plastic reel and acid free cardboard container, labeling as original or as instructed, quality measures as defined, quality assurance at level 1 inspection in accordance with ANSI standards and return the film to its vault location.

SILVER DUPLICATION ALL (16mm, 35mm)– includes but may not be limited to; the removal of the roll of film from the vault location, internal tracking of the roll of microfilm, processing, duplicate film, plastic reel and acid free cardboard container, labeling as original or as instructed, quality measures as defined, quality assurance at level 1 inspection in accordance with ANSI standards and return the film to its vault location.

DIAZO DUPLICATION (105mm, jacket) – includes but may not be limited to; the removal of the fiche or jacket from the vault location, internal tracking of the fiche or jacket, duplicate fiche, place into an acid free fiche envelope, label as original or as instructed, quality measures as defined, quality assurance at level 1 inspection in accordance with ANSI standards and return the fiche or jacket to its vault location.

MICROFICHE ORIGINAL FROM COM – includes but may not be limited to; the production of 4"x6" silver halide computer output microfiche (COM) from various magnetic media while meeting or exceeding the State of Michigan Standards.

MICROFICHE COPY FROM COM – includes but may not be limited to; the production of duplicate microfiche onto diazo film. The duplicate 105 microfiche will have a white stripe to highlight the microfiche title. All 105 microfiche jobs must be collated and distributed in sets. The Contractor must have capability to make duplicates of a duplicate using non-stripe diazo.

ALCHEMY DATABASE OR IMPORT UTILITY FORMAT – includes but may not be limited to; the creation of data in a format to be specified that would allow import into the Alchemy product line, all materials and labor associated with "burning" data to DVD or CD media for delivery, labeling as instructed and quality measures as necessary to insure complete and accurate delivery and the delivery media (typically CD or DVD).

DATA FORMATED FOR SELF CONTAINED MEDIA – includes but may not be limited to; the creation of data and the authorized licensing of a self-contained retrieval software, all materials and labor associated with "burning" data to DVD or CD media for delivery, labeling as instructed and quality measures as necessary to insure complete and accurate delivery.

NEW SET UP – includes but may not be limited to; the cost associated with routine setup of a new job. This line item must be clearly defined in the Statement of Work.

CUSTOM FORM OVERLAYS FOR MICROFICHE – includes but may not be limited to; the high level of technical skilled labor associated with the development of form overlays used in the production of COM. This line item must be clearly defined in the Statement of Work.



Attachment A, Pricing

<i>Price Sheet</i>					
Description	Estimated Monthly Volume	Unit Price	Price Per Month	Estimated Annual Cost	Estimated Three Year Cost
Vault Storage:					
Microfilm (small container ½ cu ft)	2000 Boxes	\$1.417	\$2,834.00	\$34,008.00	\$102,024.00
Microfilm (standard 1 cu ft container)	1000 Boxes	\$2.65	\$2,650.00	\$31,800.00	\$95,400.00
Microfilm 16MM per roll	40 Rolls	\$.26	\$10.40	\$124.80	\$374.40
Microfilm 35MM per roll	30 Rolls	\$.351	\$10.53	\$126.36	\$379.08
Magnetic Tape (Round Reels)	20 Reels	\$.33	\$6.60	\$79.20	\$237.60
Magnetic Tape (Cartridge)	1200 Cart.	\$.273	\$327.60	\$3,931.20	\$11,793.60
Optical Disc (standard jewel case)	250.Disc	\$.26	\$65.00	\$780.00	\$2,340.00
Misc Media	25 Cu.Ft.	\$2.65	\$66.25	\$795.00	\$2,385.00
Retrievals/Re-files: (temporary or permanent retrieval of records)					
Magnetic or Optical	20 Rolls	\$2.00	\$40.00	\$480.00	\$1,440.00
Roll Film, Microfiche	1 Roll/Fiche	\$2.00	\$2.00	\$24.00	\$72.00
Whole Box or Container	2 Boxes	\$3.00	\$6.00	\$72.00	\$216.00
Additions, Interfiles & Re-Files					
Magnetic or Optical	20 Rolls	\$2.00	\$40.00	\$480.00	\$1,440.00
Roll Film, Microfiche	1 Roll/Fiche	\$2.00	\$2.00	\$24.00	\$72.00
Whole Box or Container	2 Boxes	\$3.00	\$6.00	\$72.00	\$216.00
Microfilm Inspection & Restoration Services					
Inspection Service	2 Hrs.	\$35.00	\$70.00	\$840.00	\$2,520.00
Splice Repair (10 minute minimum)	1 Hr.	\$35.00	\$35.00	\$420.00	\$1,260.00
Film Container Replacement (16MM)	240 Cont.	\$2.00	\$480.00	\$5,760.00	\$17,280.00
Film Container Replacement (35MM)	285 Cont.	\$2.00	\$570.00	\$6,840.00	\$20,520.00
Reel Replacement	34 Reels	\$3.00	\$102.00	\$1,224.00	\$3,672.00
Microfiche (Jacket /16mm /35mm/ 105mm)	10 Jackets	\$2.50	\$25.00	\$300.00	\$900.00
Microfilm Duplication					
100 ft 16MM Roll Film (film thickness 5 mil- Diazo)	5 Rolls	\$37.00	\$185.00	\$2,220.00	\$6,660.00
215 ft 16MM Roll Film (film thickness 2.5 mil-Diazo)	4 Rolls	\$37.00	\$148.00	\$1,776.00	\$5,328.00
100 ft 35MM Roll Film (film thickness 5 mil –Diazo)	26 Rolls	\$41.00	\$1,066.00	\$12,792.00	\$38,376.00
100 ft 16MM Roll Film (film thickness 5 mil- Silver) – Deep Tank	75 Rolls	\$34.00	\$2,550.00	\$30,600.00	\$91,800.00
215 ft 16MM Roll Film (film thickness 2.5 mil-Silver)	6	\$52.00	\$312.00	\$3,744.00	\$11,232.00
100 ft 35MM Roll Film (film thickness	214 Rolls	\$40.00	\$8,560.00	\$102,720.00	\$308,160.00



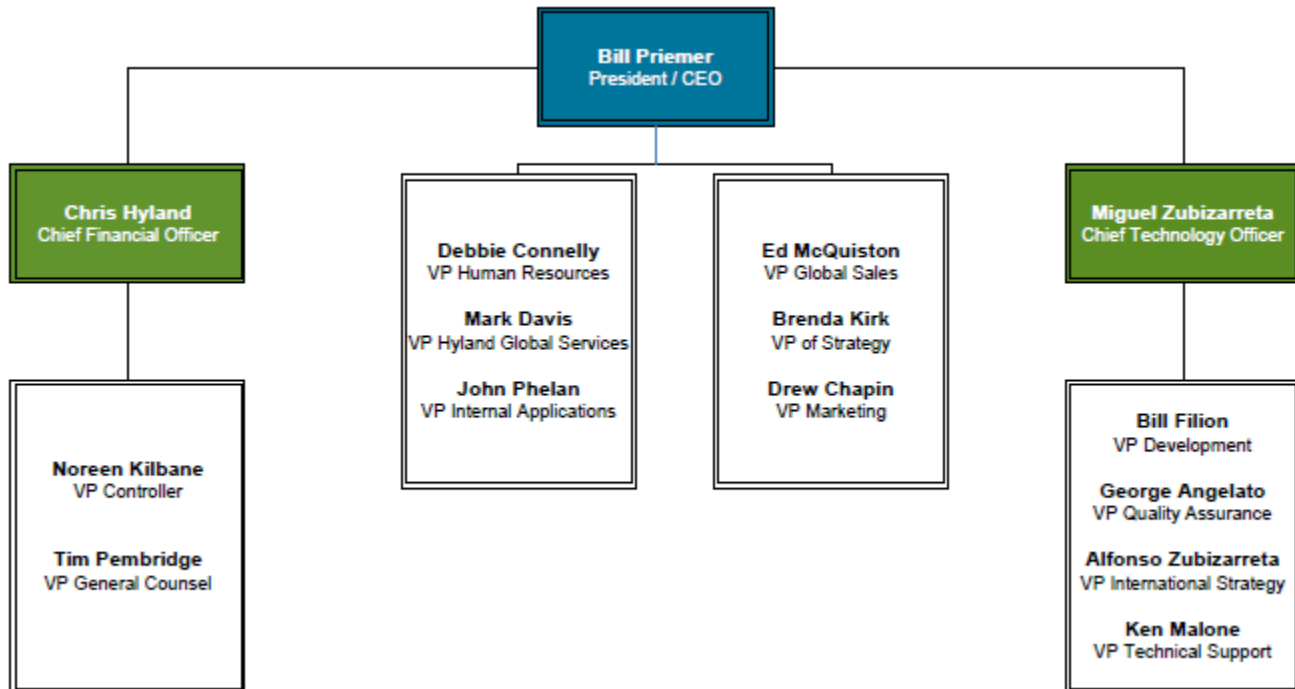
Price Sheet

Description	Estimated Monthly Volume	Unit Price	Price Per Month	Estimated Annual Cost	Estimated Three Year Cost
5 mil –Silver) – Deep Tank					
105MM Cut Fiche or Jackets (film thickness 5 mil – Diazo)	10 Jackets	\$2.00	\$20.00	\$240.00	\$720.00
Microfiche from COM					
Original	7700 Fiche	\$1.57	\$12,089.00	\$145,068.00	\$435,204.00
Duplicate	8800 Dup. Fiche	\$.25	\$2,200.00	\$26,400.00	\$79,200.00
COLD Enterprise Reporting					
Alchemy Database or Import Utility Format for loading images. Note: Alchemy will be upgraded to an equivalent alternative solution in a mutually agreed upon time frame.	2048 MB	\$.68	\$1,392.64	\$16,711.68	\$50,135.04
Data Formatted for Self Contained Media	150 MB	\$.68	\$102.00	\$1,224.00	\$3,672.00
Miscellaneous					
New Set Up	1 Hr.	\$35.00	\$35.00	\$420.00	\$1,260.00
Custom Form Overlays for Microfiche	1 Hr.	--	--	--	--
Price is per overlay	1 overlay	\$500.00	\$500.00	\$500.00	\$1,500.00

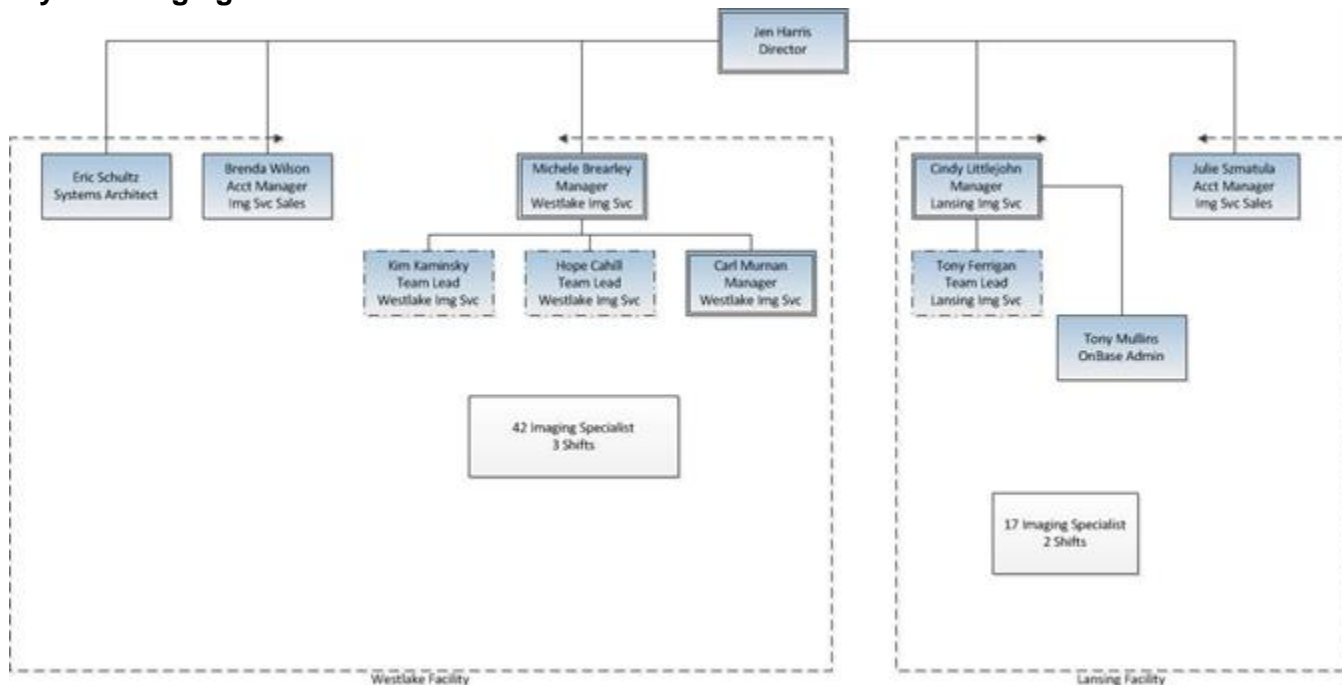


Attachment B, Organization Chart

Hyland Software, Inc.



Hyland Imaging Services



**Attachment C, Nondisclosure Agreement****DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
OFFICE OF SUPPORT SERVICES
NONDISCLOSURE AGREEMENT
CONTRACTORS / VENDORS**

Department of Technology, Management and Budget / Office of Support Services and Hyland Software, Inc. (hereinafter Contractor/Vendor), have entered into a separate Contract for the provision of goods or services. During the course of providing such goods or services, the Contractor/Vendor may be exposed to, or come into possession of, information that is sensitive or confidential and prohibited from unauthorized use or disclosure under Section 54(d) of the Revenue Act, the Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) and Revenue Act, Public Act 122 of 1941, MCL 205.28(1)(f), the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public law 104-191, Public Act 454 of 2004 Social Security Number Privacy Act, and Public Act 452 of 2004, as amended Identity Theft Protection Act.

To insure the continued protection and nondisclosure of such sensitive and confidential information, the Contractor/Vendor named above agrees to:

1. Not disclose any sensitive or confidential information the Contractor/Vendor may be exposed to, or come to possess, unless authorized by law and consistent with the Contractor/Vendor Contract.
2. Use the sensitive or confidential information only for the purposes authorized by law and consistent with the Contractor/Vendor Contract.
3. Store sensitive or confidential information in a place physically secure from access by unauthorized persons.
4. Use industry standards to store or process sensitive or confidential electronic information, in any format, not limited to magnetic tapes, hard drives, or mobile devices, in such a way that unauthorized persons cannot obtain the information by any means.
5. Have in effect written policies and procedures addressing the use and handling of sensitive or confidential information. Policies and procedures, at a minimum, must cover the: mitigation of breaches, training of personnel, restriction of employee access based on a need to know, and the reporting of unauthorized uses or disclosures to DTMB / Office of Support Services at the time the Contractor/Vendor becomes aware.
6. Train/instruct all personnel having access to the sensitive or confidential information about the precautions that must be taken to maintain the confidentiality of such information and about the criminal penalties that apply for unlawful disclosure of such information, and agrees to obtain and maintain on file a signed statement from all such personnel acknowledging that they have been so instructed and that they will adhere to the instructions and maintain the confidentiality of such information.
7. Dispose of information accessed or obtained, and any copies made thereof, after the purpose for which the information is accessed or maintained is served, either by returning such information or by appropriately destroying such information by shredding or using a method for electronic information that will render data unidentifiable.
8. On-site inspections if deemed necessary to assure that the confidentiality requirements of this Agreement and of state law are being met.
9. Ensure that any agent(s) or subcontractor(s) who has access to sensitive or confidential information agree to the same restrictions and conditions that apply to the Contractor/Vendor.

Failure to comply with any of these contractual requirements may result in the termination of this agreement in accordance with the contract for goods and services.



Michigan Penalties

MCL 205.28(1) (f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both.**

Any person who violates any other provision of the Revenue Act, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined \$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) Disclosure of confidential information obtained from the agency punishable upon conviction by imprisonment for up to **90 days**, or a **fine of up to \$1,000, or both.**

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony** with a **fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a felony violation of IRC §7213A, 26USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs.**

In regard to medical information, HIPAA and DTMB's memorandum of understanding with the Michigan Department of Community Health (MDCH) requires DTMB employees and its contractors to protect the confidentiality of health information. Protected health information (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.

These Public Acts hold that any authorized representative who has access to Michigan tax returns and Michigan tax return information, Michigan Employment Security information, and or Medical information subject to the Health Insurance Portability and Accountability Act ("HIPAA") are subject to all applicable laws and regulations. All unauthorized uses or disclosures of information are subject to criminal and civil penalties under the Michigan Revenue Act and or the Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) and the Health Insurance Portability and Accountability Act of 1996, Public law 104-191, as well as the Federal Internal Revenue Code (IRC) §7213, 26 USC 7213.

Vendor, Contractor or Subcontractor NONDISCLOSURE AGREEMENT

Certification

By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.

<input checked="" type="checkbox"/> I certify that I have viewed the Confidentiality Training video and or have read the Non-Disclosure Agreement.		
Place check in box	<i>Noreen Kilbane</i>	<i>Noreen Kilbane</i>
Print name of employee signing this agreement	Signature of person named above	Date signed <i>03/05/2014</i>
<i>Suzanne L. Restitt</i>	<i>Suzanne L. Restitt</i>	Date signed <i>3/5/14</i>
Print Witness name (Required)	Signature of Witness (Required)	Date signed

